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7

8 **UNITED STATES DISTRICT COURT**  
9 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

10  
11 Hiscox Insurance Company,  
12 Plaintiff,  
13 vs.  
14 The Perfect Event, Inc.,  
15 Defendant.  
16

Case No. 2:24-cv-10852

**COMPLAINT FOR  
DECLARATORY JUDGMENT**

17  
18 Plaintiff Hiscox Insurance Company (“Hiscox”), for its Complaint for  
19 Declaratory Judgment, alleges as follows:

20 **JURISDICTION AND VENUE**

21 1. This is an action for declaratory judgment pursuant to Federal Rule of  
22 Civil Procedure 57 and 28 U.S.C. section 2201.

23 2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. section  
24 1332(a), as this action is between citizens of different states and the amount in  
25 controversy exceeds \$75,000.

26 3. Venue is proper in this District pursuant to 28 U.S.C. section 1391 as a  
27 defendant resides in this District.  
28

1 **THE PARTIES**

2 4. Plaintiff Hiscox Insurance Company (“Hiscox”) is a corporation  
3 organized under the laws of the State of Illinois and with its principal place of  
4 business in the State of Illinois.

5 5. Defendant The Perfect Event, Inc. (“TPE”) is a corporation organized  
6 under the laws of the State of California with its principal place of business in the  
7 State of California.

8 **NATURE OF THE CLAIM**

9 6. Hiscox issued a package policy to TPE for the period September 6, 2019,  
10 to September 6, 2020 (Policy No. MPL2043572.19) (the “Policy”). A copy of the  
11 Policy, with premium information redacted, is attached hereto as Exhibit A.

12 7. Hiscox seeks a judgment declaring that the Policy provides no coverage  
13 to TPE for insurance claims made in connection with a lawsuit pending before the  
14 Superior Court of California, captioned *Jane Doe v. Sigma Alpha Mu Fraternity et al.*,  
15 Case No. 21STCV46495 (the “underlying action”).

16 **FACTUAL BACKGROUND**

17 **The Underlying Action**

18 8. TPE provided security guards and event staffs pursuant to a subcontract  
19 with Sigma Alpha Mu Fraternity (“SAM”) for a party hosted by SAM on or about  
20 January 25, 2020 at 904 West 28th Street, Los Angeles, California (the “subject  
21 property”).

22 9. In the underlying action, plaintiff Jane Doe alleges that Peter Hwang  
23 sexually assaulted and raped her during the party. The underlying plaintiff alleges that  
24 SAM was negligent in failing to manage and maintain the subject property safely, and  
25 that she was raped due to SAM’s failure to provide safe environment at the subject  
26 property. Based on these allegations, the underlying plaintiff asserts negligence,  
27 assault, battery, and negligent and intentional infliction of emotional distress claims  
28 against SAM, its related entities, and Hwang.

1           10. SAM filed a cross-complaint against TPE in the underlying action  
 2 alleging that TPE was responsible for providing and ensuring a safe environment  
 3 during the party and asserts claims for indemnification, apportionment of fault,  
 4 declaratory relief and negligence claims against TPE.

5 **Hiscox Policy**

6           11. The Policy affords Security Services Professional Liability coverage and  
 7 General Liability coverage.

8           12. The insuring agreement in the General Liability Coverage Part provides  
 9 specified coverage for bodily injury that occurs during the policy period.

10           13. Under the General Liability Coverage Part of the Policy, coverage is  
 11 precluded for bodily injury or property damage based upon or arising out of your  
 12 actual or alleged performance of or failure to perform “professional services,” which  
 13 the Policy defines to include “services identified as Covered Professional Services in  
 14 the Declarations.” The Policy’s Declarations identify Covered Professional Services  
 15 as “event planning services and solely as defined in the Security Services Professional  
 16 Liability Coverage Part.” The Security Services Professional Liability Coverage Part  
 17 provides:

18                   **Security services means:**

- 19                   1. the services customarily performed by a security guard,  
 20 watchperson, ... or other individual employed in the  
 21 private security industry, which, for purposes of this  
 22 policy, means services performed in connection with  
 guarding and protection people, property, or other  
 assets ....

23                   ....

24           14. The Policy contains the following insuring agreement for Security  
 25 Services Professional Liability Part:

26                   **We will pay up to the coverage part limit for damages and**  
 27 **claim expenses** in excess of the **retention** for covered **claims**  
 against **you** alleging a negligent act, error, or omission in  
 28 **your security services** performed on or after the **retroactive**  
**date ....**

....

provided the **claim** is first made against **you** during the **policy period** and is reported to **us** in accordance with Section V. Your obligations.

15. The Security Services Professional Liability Part contains the following Sexual Misconduct Exclusion,<sup>1</sup> which provides:

**We** will have no obligation to pay any sums under this Coverage Part, including any **damages** or **claim expenses**, for any **claim**:

22. Based upon or arising out of any actual, alleged, or threatened abuse, molestation, harassment, mistreatment, or maltreatment of a sexual nature, including the negligent employment, investigation, supervision, training, or retention of a person who commits such conduct, or the failure to report such conduct to the proper authorities; however, this exclusion will not apply to the extent any claim is covered under Section I of this Endorsement.

16. The Policy contains a Sexual Abuse/Misconduct Sublimit Endorsement (Endorsement 12), which provides:

**We** will pay **damages** and **claim expenses** up to the sublimit stated below for any **claim** against **you** alleging sexual misconduct, sexual abuse, and/or child abuse by any person for whom **you** are legally responsible, provided the **claim** is first made against **you** during **the policy period** ....

### **FIRST CLAIM FOR RELIEF**

#### **Declaratory Relief**

17. Hiscox incorporates herein by reference the allegations set forth in Paragraphs 1 through 16, inclusive.

18. In the underlying action, the plaintiff's claims against TPE arise out of TPE's performance of or failure to perform "professional services" as the term is defined in the Policy, and thus, coverage under the General Liability Coverage Part is precluded by Professional Services exclusion.

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<sup>1</sup> This exclusion is cited as modified by Sexual Abuse/Misconduct Sublimit Endorsement (Endorsement 12).



1 DATED: December 17, 2024

KENNEDYS CMK LLP

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3 By: /s/ Michael W. Melendez  
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5 HISCOX INSURANCE COMPANY  
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